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BY THE COMPTROLLER GENERAL  
Report To The Chairman,  
Committee On Appropriations  
House Of Representatives  
OF THE UNITED STATES

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## Correct Balance Of Defense's Foreign Military Sales Trust Fund Unknown

The Department of Defense does not have adequate control over foreign military sales accounting. As a result, it could not provide foreign governments with an accurate accounting for their funds deposited in trust accounts. Also, Defense could not determine the amount of money available for purchases of military goods and services by these countries.

By comparing September 30, 1979, balances, GAO found that cash balances on trust fund records differed from balances on detailed sales case accounting records for all foreign military sales customers. In total, trust fund accounts differed by \$1.5 billion from the detailed records of sales cases. This problem has continued because Defense has not made a concerted effort to determine why trust fund account balances did not agree with detailed accounting records.

This report examines the reasons for these differences, recommends corrective action that can be taken quickly and reiterates the need for Defense to centralize accounting and disbursing functions.



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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-198131

The Honorable Jamie L. Whitten  
Chairman, Committee on  
Appropriations  
House of Representatives

Dear Mr. Chairman:

As requested in your letter of July 9, 1979, this report discusses the Defense Department's efforts to reconcile differences between the records used to prepare statements of account to foreign customers and the cash balances in these customers' trust fund accounts. Although Defense has initiated improvements, additional action is needed. Specifically, we found that as of September 30, 1979, procedures had not been implemented to periodically reconcile detailed accounting records for each sales case with the trust fund records. Also, cash balances recorded in statements of account sent to foreign governments differed by over \$1.5 billion from the balances in those countries' trust fund accounts.

As arranged with your office, we did not obtain written comments but discussed our findings with Defense Department officials and, where appropriate, considered their comments. The financial information in this report is based, in part, on information shown in the Defense Department's accounting records and provided by Defense officials. Because of the magnitude of the information requested in your letter, the number of accounting systems involved, and the short time provided to prepare this report, we could not always verify this information.

Also as arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 7 days from the date of this letter. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

Comptroller General  
of the United States

COMPTROLLER GENERAL'S REPORT  
TO THE COMMITTEE ON  
APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES

CORRECT BALANCE OF  
DEFENSE'S FOREIGN  
MILITARY SALES TRUST  
FUND UNKNOWN

D I G E S T

GAO previously reported on Defense's failure to reconcile \$554 million in differences between the accounting records used to prepare reports to foreign governments and the balances in the governments' trust fund accounts (FGMSD-79-02, Nov. 15, 1978). The 1978 report only included differences involving U.S. Navy programs. This report addresses (1) accounting differences between cash balances reported to foreign customers and cash balances carried in those customers' trust fund accounts for all services and (2) comments on financial management problems experienced in administering the foreign military sales program.

Specifically, GAO found that as of September 30, 1979, detailed accounting records for foreign military sales customers differed by \$1.5 billion from trust fund records showing cash on hand. After considering normal processing delays, system deficiencies, and identifiable accounting errors, unexplained differences were still about \$390 million.

GAO was not able to determine the cause of these differences because Defense activities have not routinely reconciled all key accounting records. Unless and until these differences are explained, the correct cash balances held in trust for 97 foreign customers cannot be determined.

As a result of these differences, Defense could not determine the amount of money available to foreign customers for purchasing military goods and services and could not provide foreign customers with an accurate accounting for funds deposited in the trust account.

Defense management has recognized that significant actions must be taken to make the accounting and financial management system for foreign military sales more accurate. The Assistant Secretary of Defense (Comptroller) instructed all military departments to begin reconciling related records.

Each military department reacted differently to this reconciliation requirement. The Army was unable to meet the requirement without certain accounting system modifications which will take several months to develop. The Navy can meet the requirements but is seeking a waiver of the requirement to list individual reconcilable items. The Air Force plans to comply with the reconciliation requirements.

Defense is also testing a centralized accounting and disbursing system which, when fully implemented, will substantially reduce, if not eliminate, future differences between trust fund and detailed sales accounting records. As Defense moves forward with the centralization effort, the conditions which have helped perpetuate differences in detailed sales and trust fund accounting records will be eliminated. However, it will take Defense substantial time to fully implement a centralized system.

#### RECOMMENDATIONS

GAO is making short range recommendations which can be implemented rapidly without extensive system changes, and a long range recommendation which is part of the centralization effort.

In the short range, the Secretary of Defense should direct the military departments and the Security Assistance Accounting Center to establish adequate control over customer trust funds by

- identifying and correcting existing differences in trust fund and supporting detailed sales records and
- enforcing Defense policies requiring reconciliation of key accounting records so that unexplained differences will not arise in the future.

In the long range, the Secretary of Defense should continue actions to centralize foreign military sales accounting and disbursing as the most viable alternative to finally resolve Defense's foreign military sales accounting and financial management problems.

At the request of the Office of the Chairman, House Committee on Appropriations, GAO did not obtain written agency comments. The matters covered in the report, however, were discussed with Defense officials, who expressed general agreement with the report.

## Contents

	<u>Page</u>
DIGEST	i
CHAPTER	
1	
INTRODUCTION	1
Growth of program	1
Responsibilities for accounting functions	1
Role of the Security Assistance Accounting Center	1
Role of military departments	2
Role of Treasury	3
Reconciliation of records	3
Origin of differences	4
Army has reduced transfer difference	4
Naval efforts to reconcile differences delayed	4
Air Force does not have base of information	5
Prior GAO reports	5
Scope and methodology	5
2	
CORRECT BALANCE OF FOREIGN MILITARY SALES TRUST FUND IS UNKNOWN	7
Unexplained differences between accounting records	7
Related Army records do not agree	7
Related Naval records do not agree	8
Related Air Force records do not agree	9
Large differences exist Defense-wide	9
Requirement that records agree	9
Defense cannot properly account for trust funds	10
Reasons for differences in accounting records	10
Processing delays cause records to differ	11
System deficiencies cause large differences	11
Use of holding accounts created differences	12

	<u>Page</u>
Data processing rejects cause differences	12
Differences created by past errors	13
Defense actions to improve accounting records	13
New reconciliation requirements	14
Limiting disbursements	15
Researching existing differences	15
Development of a new system	16
Conclusions	16
Recommendations	17
Agency comments	17

## APPENDIX

I	July 9, 1979, letter from the Chairman, Committee on Appropriations, House of Representatives	18
II	Defense-wide differences between customer trust funds and case records as of September 30, 1979	19
III	Summary of required adjustments to Security Assistance Accounting Center case records as of September 30, 1979	22

## CHAPTER 1

### INTRODUCTION

On July 9, 1979, the Chairman of the House Committee on Appropriations asked us to determine (1) the current status of the Navy's efforts to reconcile differences between trust fund balances for foreign military sales and the supporting sales case accounting record balances and (2) if a similar financial management problem existed in the administration of the Army and Air Force foreign military sales program. A report was requested for consideration during the fiscal 1981 appropriation review process.

This report discusses the Department of Defense's accounting systems for moneys which, in accordance with sales agreements, foreign customers have placed in the foreign military sales trust fund account. Defense uses these moneys to cover disbursements for goods and services it purchases for foreign customers.

### GROWTH OF PROGRAM

In recent years, increased congressional interest has focused on the tremendous growth of the foreign military sales program and on major accounting and financial management problems encountered by Defense in executing the program. Foreign military sales agreements have grown from about \$1 billion in fiscal 1970 to over \$13 billion in fiscal 1979.

Orders placed by foreign customers and still being filled totaled \$79.2 billion as of September 30, 1979. Between 1976 and 1979, Defense disbursed an average of \$7.7 billion annually from foreign trust funds to execute the program. Foreign customers had about \$6 billion in advance payments in the trust funds on September 30, 1979.

### RESPONSIBILITIES FOR ACCOUNTING FUNCTIONS

Foreign military sales accounting and financial management is highly decentralized, involving more than 40 Defense organizations. Treasury is responsible for holding advance payments under this program in trust for the foreign customers.

### Role of the Security Assistance Accounting Center

The Defense Security Assistance Accounting Center (Center) was established in November 1976. Before that time

all foreign military sales functions were carried out by the military departments, each for its own portion of sales. In fiscal 1977, responsibility for maintaining the foreign military sales accounting records was transferred to the Center.

The Center is responsible for detailed foreign military sales trust fund accounting. In discharging this responsibility, the Center has established trust fund accounting records and sales case accounting records which are, in theory, subsidiaries to the trust fund records. The trust fund accounting records are control records and show the amount of funds held in trust for each customer. These records include subaccounts for each activity involved (Army, Navy, Air Force, Defense Security Assistance Agency, and State Department) and for each customer (such as country or treaty group). For example, for each customer, the Center has a trust fund account for the Army, Navy, Air Force, and other Defense components with which the foreign customer does business. This record provides Defense with a basis for assuring that amounts expended do not exceed amounts available. The sum of each country's cash balance in these subaccounts represents its overall trust fund cash position.

The sales case accounting records are more detailed than the trust fund records in that they show the amounts billed, collected, and disbursed under specific sales agreements with the foreign customers. These records are used to prepare quarterly statements to each foreign customer, showing, by sales case (agreement or order), how their money was spent. The foreign customer is obligated to the United States for all authorized costs set forth in this quarterly statement of account. The difference between the amount collected and the amount disbursed represents the customer's cash position for the sales involved. The sum of balances in a customer's sales case accounting records should agree with the customer's trust fund cash balance.

#### Role of military departments

The military departments are responsible for detailed obligation, expenditure, and cost accounting; for paying contractors; and for reporting these payments to the Center. Each department operates its own unique system to account for and report sales disbursement transactions and other financial information.

Each military department prepares monthly reports on disbursements made under the foreign military sales program. One report sent to the Center shows, in summary form, all disbursements made from each customer's trust fund account. Another report sent to the Center identifies the specific

sales order (foreign military sales case) which should be charged. The total disbursements on these two reports should agree.

#### Role of Treasury

Treasury maintains a single cash account for the foreign military sales program using collection information provided by the Center and disbursement reports provided by the military departments. The cash balance in the account is based on all collections, disbursements, and adjustments reported to Treasury since the foreign military sales program was established about 20 years ago. The historical cash position is similar to a bank account which is based on total activity since the account was opened.

#### RECONCILIATION OF RECORDS

Treasury's Defense-wide foreign military sales cash account, the Center's country-level trust fund position, and the Center's individual sales case records should either agree or be reconcilable. The Center reconciles its trust fund total with Treasury's cash account monthly. This reconciliation, when properly performed, enables Defense to determine that all foreign military sales disbursements reported by the military departments to the Center and recorded in the trust fund have also been recorded in the cash account at Treasury. Because the trust fund accounts are used to determine the amount of money that can be disbursed for goods and services sold to each foreign country and the sales case accounting records are used to render an accounting to each foreign country as to what its cash balance is, the balances in all records must be accurate and any differences must be promptly and properly reconciled.

Reconciliation is the fundamental accounting method to (1) determine the accuracy of accounting records, (2) explain the causes of differences, and (3) bring the records into balance. Through reconciliation individuals determine their true cash balance when their checkbook and bank statement disagree, and Defense could determine the correct cash balance in customer trust funds in the same way. Reconciliations are important in any accounting system, but their importance is increased under a decentralized system.

Department of Defense Instruction 2140.3 of September 6, 1979, requires Department of Defense components to submit to the Center a monthly report of reconciliation between the value of expenditures charged to the trust fund and reported to Treasury, and those charged to specific sales case

accounting records. Any omissions (such as "in transit" or "suspended by accountable station") must be explained.

#### ORIGIN OF DIFFERENCES

When the Center was established in late 1976, problems existed with the records transferred from the military departments. However, the magnitude of differences in each department's records was not uniformly determined. For example, when the transfer was made the Center did not compare Naval or Air Force sales case record cash balances with the cash balances in their respective trust fund accounts. The Army, however, determined upon transfer that its sales case records accounted for \$21 million less cash than the balance in the Army trust fund.

Since the records were transferred, the Center has not attempted to determine the difference between its sales case and trust fund accounting records. Although Center officials were aware that differences existed, they did not know the total of such differences.

#### Army has reduced transfer difference

In late 1976 and early 1977, the Army transferred trust fund cash balances of \$1,827 million to the Center. However, cash balances in supporting sales case records totaled \$1,806 million, \$21 million less. The Army immediately established a plan to reconcile this transfer difference. As of September 30, 1979, the Army transfer difference had been reduced to \$2 million.

#### Naval efforts to reconcile differences delayed

Sales case and trust fund accounting records transferred by the Navy to the Center in late 1976 were not completely audited. Since that time, the Navy's primary effort has been to reconcile differences between charges to the trust fund and disbursements recorded in Naval records. The Navy hired a private contractor for about \$1 million to perform a detailed item by item reconciliation among Naval activities. This effort identified \$494.7 million of erroneously recorded or unrecorded expenditures during February through September 1979. These adjustments resulted in more accurate trust fund accounting records.

However, little effort has been expended to reconcile differences between the trust fund accounting records and sales case accounting records. One of the initial objectives of the Naval contract was to reconcile these records for the

period from November 1, 1976--when the records were transferred to the Center--through December 31, 1978. This project was delayed until data originally rejected by the Center is resubmitted along with necessary computer program changes. The project is now expected to start this year.

#### Air Force does not have base of information

Since Air Force records were transferred to the Center, a reconciliation was performed only once. However, that reconciliation did not include a complete comparison of trust fund records with sales case accounting records. Thus, there is no good starting point for a complete reconciliation.

#### PRIOR GAO REPORTS

In addition to this overall report, we have published four other reports which recommended improvements in financial management of the foreign military sales trust fund accounts. We reported on

- a breakdown in the Army's accounting control for its customer orders (FGMSD-76-74, Nov. 5, 1976),
- a loss of accounting integrity in Air Force procurement appropriations (FGMSD-77-81, Nov. 1, 1977), and
- the unknown balance of the Navy's foreign military sales trust fund (FGMSD-79-2, Nov. 15, 1978).

In a May 17, 1979, report (FGMSD-79-33), we proposed that Defense centralize accounting and financial management as the best long range solution to solving accounting problems in the foreign military sales program. Although centralization has not been accomplished, a test program has been initiated.

#### SCOPE AND METHODOLOGY

Our review was designed to determine the current status of Defense efforts to reconcile differences between trust fund balances for foreign military sales cases supporting detailed sales case accounting records. Both sets of accounting records were maintained by the Center.

We visited the Security Assistance Accounting Center, Denver, Colorado; U.S. Navy International Logistics Control Office, Philadelphia, Pennsylvania; U.S. Army Accounting and Finance Center, Indianapolis, Indiana; U.S. Army Security Assistance Center, New Cumberland, Pennsylvania; Headquarters,

U.S. Army Corps of Engineers, Washington, D.C.; Army Materiel Development and Readiness Command, Alexandria, Virginia; Army Tank Automotive Readiness Command, Warren, Michigan; and Army Missile Readiness Command, Huntsville, Alabama. We examined trust fund and sales case records and reviewed pertinent legislation, regulations, policies, procedures, and practices. We also interviewed responsible Defense officials.

In establishing the scope of this review, we concentrated on the method of financing foreign military sales that was used most often. Defense activities have two options for financing costs incurred on behalf of customers under the foreign military sales program. These costs incurred can be either charged to a military appropriation with the reimbursement subsequently being obtained from the Center or can be directly charged to the trust fund account at Treasury. Most of the cost incurred for the Navy, Air Force, and Corps of Engineers are directly charged to Treasury. Most Army sales, other than the Corps of Engineers work, is performed on a reimbursable basis. Since greater use was made of direct charges for foreign military sales, our review was essentially limited to sales involving this financing method.

Because foreign military sales financial data is so voluminous and because accounting systems are highly complex, we usually accepted data provided by Defense officials in explaining differences in financial records. However, large adjustment items provided by the agency, such as intercountry financing agreements, were thoroughly verified.

## CHAPTER 2

### CORRECT BALANCE OF FOREIGN MILITARY

#### SALES TRUST FUND IS UNKNOWN

Detailed accounting records for foreign military sales customers differed by \$1.5 billion from trust fund records showing cash on hand at September 30, 1979. After considering normal processing delays, system deficiencies, and identifiable accounting errors, unexplained differences were still about \$390 million. Because routine reconciliations had not been performed, specific transactions and conditions which would explain all the differences between the two records were not identified. As a result of these differences, Defense could not determine the amount of money available for purchases of military goods and services by foreign countries and could not provide foreign governments with an accurate accounting for funds deposited in the trust account.

#### UNEXPLAINED DIFFERENCES BETWEEN ACCOUNTING RECORDS

Defense could not fully explain differences of \$1.5 billion between its official trust fund accounting records showing cash on hand and the detailed records used to provide foreign Governments an accounting of how their funds were spent. Defense problems in accounting and reporting foreign military sales disbursements and collections were disclosed in 1976 when the services transferred responsibility for maintaining detailed sales case accounting records to the Security Assistance Accounting Center. Since then, these differences have increased.

Army, Navy, Air Force, and Defense agencies make disbursements for foreign military sales cases and directly charge the cash account at Treasury for total expenditures. Each agency provides the Center a monthly breakdown of total expenditure by country. The agencies are also required to provide the Center with detailed expenditure reports for use in posting detailed sales case accounting records, which are maintained for each sales agreement. Thus, foreign trust fund balances maintained by Defense are recorded in two records at the Center: (1) trust fund accounts in which all collections and disbursements of each customer are tracked and (2) detailed sales case accounting records which show for what sales agreement the funds were collected and disbursed.

#### Related Army records do not agree

Trust fund accounting records and the records used to provide foreign customers an accounting of how their funds

were spent for Army items differed by over \$1 billion at September 30, 1979. Although the Army has attempted to reconcile differences identified when records were transferred to the Center, neither the Army nor the Center established reconciliation procedures for sales activity after the transfer.

When the Army transferred its trust fund cash accounting function to the Center as of December 31, 1976, its detailed sales case accounting records showed \$21 million less than its trust fund records. The Army's attempt to reconcile the difference has been and continues to be a very laborious task and the Army has dedicated an extensive amount of resources to matching and correcting the two sets of records. This effort had reduced the \$21 million difference at the time of the transfer to \$2 million as of September 30, 1979.

In addition to these differences at the time of the transfer in 1976, other differences have occurred. The total difference had grown to \$1,056 million on September 30, 1979.

Army officials told us that these differences were not addressed because they believed accountability for Army-wide trust fund balances was assumed by the Center at the time the funds were transferred and, therefore, did not have to be addressed by the Army.

#### Related Naval records do not agree

Trust fund accounting records and the detailed sales case accounting records for Naval items differed by \$1,176 million on September 30, 1979. Like the Army, this difference also has mostly occurred since the accounting records were transferred to the Center.

Because the records were not completely audited in 1976 when they were transferred to the Center, we could not determine if any differences existed at that time. However, in May 1977, the Navy found that cash balances for 26 countries were \$58 million higher on the trust fund account than on the detailed sales case accounting records, and cash balances for 42 countries were \$145.3 million higher on detailed sales case accounting records than on trust fund accounting records. By June 1978, the gross differences had been reduced to about \$164 million.

However, in addition to these differences which were identified in May 1977, other differences have occurred. By September 30, 1979, these differences had grown to \$1,176 million.

Related Air Force records do not agree

Trust fund accounting records and the detailed sales case accounting records for Air Force items differed by \$673 million on September 30, 1979. Air Force trust fund and detailed sales case accounting records were not compared when responsibility was transferred to the Center. Since this transfer in 1976, only a one-time partial reconciliation was performed; a complete reconciliation was never performed.

Large differences exist

Defense-wide

Although the difference between the trust fund and sales case record cash balances for each foreign government is large for an individual military department, this difference is reduced when records are compared on a consolidated Defense-wide basis. The individual service difference of \$2.9 billion (Army \$1,056 million; Navy \$1,176 million; Air Force \$673 million) is reduced to \$1.5 billion when the records for each foreign customer are compared Defense-wide. Because Defense is not required to maintain trust funds by military department or service, a Defense-wide comparison on a foreign customer basis was selected as the criteria for presenting findings and conclusions about the accuracy and reliability of cash positions reported to foreign governments.

REQUIREMENT THAT RECORDS AGREE

The trust fund accounts should agree with the detailed sales case accounting records. Unless these records agree, Defense cannot provide foreign customers a proper accounting for their funds and cannot accurately control the amount of money available for the customers' purchases.

Foreign governments are entitled to and expect a proper accounting for their funds. Because the sales case accounting records were used to prepare the statements of account provided the foreign customers, they should accurately reflect all receipts and disbursements and be in balance with the trust fund records which show the amount of cash on hand.

Department of Defense Instruction 2140.3 provides that foreign military sales customers are to be given detailed information in support of billings. This information is provided in a quarterly billing document that represents the official claim for payment by the U.S. Government. The accuracy of the billing document is important to both the foreign customer and Defense because the foreign government is entitled to an accurate accounting for its funds and Defense needs to know the current financial status of each

country's trust fund account so that it can accurately determine the amount of money available for military goods and services.

In addition to providing the foreign customer with an accounting for its money, accurate records are necessary to determine the amount of money that can be disbursed for military goods and services sold to each foreign country. The sales case accounting records are used to render an accounting to each foreign country as to what its cash balance is.

#### DEFENSE CANNOT PROPERLY ACCOUNT FOR TRUST FUNDS

Defense could not determine the amount of money available for purchases of military goods and services by foreign customers and could not accurately account to foreign customers for funds deposited in the trust account.

The cash balance in the trust fund account determines the amount of money that can be disbursed for military goods and services sold to each foreign customer. The sales case accounting records are used to inform each foreign customer of its cash balance. The imbalance of \$1.5 billion between these two sets of accounting records presents serious problems for Defense.

Sixty-one foreign customers may have been overbilled because their trust fund cash balances were \$565 million higher than their sales case accounting record balances. Such overbilling would result if the sales case balance were understated and used in computing the payment required from the foreign customer. Overbilling would require payment by these countries before funds were actually required to meet their foreign military sales obligation.

Also, 36 other foreign customers may have been underbilled because their trust fund cash balances were \$943 million lower than the detailed sales case accounting records. Any such underbilling would have an adverse impact on this country's balance of payments and would deprive Treasury of the use of these funds.

#### REASONS FOR DIFFERENCES IN ACCOUNTING RECORDS

Although Defense did not know the correct balance of cash being held in trust for foreign customers because key reconciliations had not been performed, some of the differences between accounting records could be explained. Adjustments for processing delays, accounting system deficiencies,

and other reasons reduced the unexplained difference from \$1.5 billion to about \$390 million.

The impact of an adjustment on the difference between trust fund and sales case cash balances depends on the type of adjustment and which of the two records has a higher cash balance. For example, if the trust fund balance is higher than the sales case cash balance and an adjustment is made to reduce the trust fund balance, the difference between the two records would be reduced. Conversely, if the trust fund balance is higher than the sales case cash balance and an adjustment is made to increase the trust fund balance, the difference between the two records would be increased. As a result, gross adjustment cannot be related to the net change between the beginning difference and the ending difference. Thus, the \$1.5 billion difference will be reduced by a net amount of less than the gross total of the following contributing factors.

#### Processing delays cause records to differ

Processing delays created at least \$631 million in differences between the trust fund cash balances and the detailed sales case accounting records. The processing delays prevent the detailed sales case records from being as up to date as the trust fund records.

Each department is required to report summary disbursement data monthly to the Center where it is recorded in the appropriate foreign customer's trust fund. More frequent reporting is not feasible at the present time. The departments also report each individual disbursement to the Center. The Center records detailed transaction data in sales case accounting records. For a variety of reasons, the departments encounter delays in reporting detailed transactions. Thus, sales case records are not as up to date as trust fund records. Delays like this are classified as processing delays and are to be expected, particularly under a decentralized accounting and disbursing system.

#### System deficiencies cause large differences

System deficiencies caused \$831 million of the differences between trust fund and sales case accounting records as of September 30, 1979. These differences primarily resulted from the way in which intercountry transfers and administrative cost allocations were handled.

Countries have entered into financing agreements whereby sales to one country were financed by another. When this happens, the Center recorded intercountry transfers in the

trust funds of the countries involved. However, corresponding entries were not made in sales case records. As a result, an adjustment to the appropriate record was needed to reduce unexplained differences for each country. For example, \$300 million in intercountry transfers recorded by the Center in trust fund accounting records was intentionally not recorded in corresponding sales case accounting records.

Center officials did not record these transfers in sales case records because the sales cases that were involved could not be identified. While we agree that the sales case records could not be properly identified, other simple alternatives would provide a proper and balanced accounting for such transactions. For example, when trust funds of one country are transferred to another country the Center could set up a memorandum receivable/payable ledger account within the trust fund. Another alternative is to footnote the cash balances reported for those countries involved in the transfer.

Other differences resulted because the charges against foreign trust funds for administrative costs exceeded disbursements recorded on case records. For each sale, the Center transfers a small percentage of collections from each foreign government into an administrative account, thus reducing the trust fund. Administrative costs are charged to sales case records based on a percentage of disbursements, but there is a time lag between the posting of charges against the trust fund and the recording of charges on the sales case accounting records.

#### Use of holding accounts created differences

Undistributed collections which were placed in holding accounts created a difference of \$234 million between the trust fund and sales case accounting records as of September 30, 1979. The holding account was used until collections were distributed to individual sales cases at a later date. Although these undistributed collections created a difference between the records, the Center maintained adequate records to identify the status of the holding account.

#### Data processing rejects cause differences

Information on expenditures the Army and Navy submitted to the Center was rejected by the computer at the Center because it did not meet the Center's edit criteria. Center personnel reprocessed the Army data and made sure it was entered into the system. However, because of the volume involved, the rejected data on Navy items was returned to the Navy.

Although the Center has been reporting rejected expenditures to the Navy monthly since December 1978, the Navy did not make any corrections until October 1979. This time lag was mainly due to delays in determining who was responsible for correcting the various rejections and in developing procedures to eliminate the incorrect coding.

Because of the volume involved, information was not accumulated on the dollar value of these rejects. Also, neither the Army nor the Navy had taken action to standardize their machine edit criteria with the Center's edit criteria. In addition, the Center had not taken action to encourage standardization.

#### Differences created by past errors

The balances in foreign customer trust accounts result from collection and disbursement transactions dating to the start of the foreign military sales program, more than 20 years ago. However, sales case records are maintained only for active cases. When cases are closed, the cash balance, if any, is either returned directly to the foreign customer or transferred to that customer's remaining active sales cases.

The cash balances returned or transferred to active sales cases would not contribute to current differences if all transactions which were recorded in closed case records had also been recorded in the trust fund records and there were no other errors. Conversely, if errors occurred in either record the balances transferred would contribute to current differences. Errors which occurred in closed cases may never be determined because in some instances, records have been lost or are incomplete. We could not determine the amount of differences created by these closed cases.

#### DEFENSE ACTIONS TO IMPROVE ACCOUNTING RECORDS

Defense management has recognized that significant actions must be taken to make the accounting and financial management system for foreign military sales more accurate. This problem has been emphasized in recent GAO reports and in congressional hearings.

In a May 17, 1979, report (FGMSD-79-33), we reported that although improvements had been made, many longstanding problems remained uncorrected. Since the foreign military sales program's inception, Defense has not had an adequate programwide financial management plan. Each military department, along with the Center, designed its own financial

management and accounting system for foreign military sales. None of those systems has been approved by the Comptroller General. These systems have not provided accurate or timely data, and the Department is unable to provide foreign customers a proper accounting of their money. We recommended that Defense centralize foreign military sales accounting and disbursing to overcome its many accounting and financial management problems.

In its report on the 1980 Defense appropriation bill, the House Committee on Appropriations agreed with the need for centralization of foreign military sales accounting and asked Defense to produce a plan for centralized accounting and financial management. The plan was to include obligation and expenditure accounting and disbursing of funds to assure that all costs properly chargeable to the program were fully recovered. Because of the seriousness of the problem in terms of the amounts involved, the Committee set a March 1980 deadline for submission of the plan. Several Defense actions have been taken or are planned to correct the foreign military sales problems. These actions include establishing a new reconciliation requirement, limiting disbursements, and developing a new system. The automated accounting system being developed has not been submitted for evaluation and approval by the Comptroller General.

#### New reconciliation requirements

In September 1979, the Assistant Secretary of Defense (Comptroller) issued instructions requiring the military departments to provide detailed foreign military sales reconciliation data to the Center. Specifically, the departments are required to provide the Center a monthly report of reconciliation between the value of expenditures charged to the trust fund and individual disbursements charged to specific sales cases.

Each military department has reacted differently to the requirement. The Army is currently unable to meet the requirement without certain accounting system modifications. Army officials advised us that it would take up to 18 months before such capability could be implemented. The Navy, although able to meet the requirement, is seeking a waiver of the requirement to list individual reconciliation items. Air Force officials advised us that they are satisfied with the reconciliation requirements but will seek changes to other aspects of the Assistant Secretary's instruction.

### Limiting disbursements

Because the Army's accounting system is decentralized, accountability rests primarily with those case managers who are required to maintain detailed case level records. At materiel commands we visited, detailed case records appeared adequate to reconcile differences--if complete transaction information affecting each case were available to the case managers. According to officials, however, complete data often was not available as Army disbursing stations routinely made transactions on behalf of other Army or Defense units. Transactions may likewise be made for Army case managers by financial activities of other military departments such as Naval and Air Force finance offices.

One Army command had taken measures to eliminate differences in its records. To accomplish this the stipulation was made on each contract affecting foreign military sales cases that contract payments and other transactions be made only by the disbursing station collocated with their accounting activity. In this manner, entries to accounting records coincide with the transactions. This procedure eliminates timing differences caused when transactions are made by and for others.

Beginning in May 1979, they conducted a 3-month test of their ability to reconcile cases. According to Corps officials, the most notable aspect of the test was the extreme difficulty encountered in attempting to reconcile transactions by others. As a result of the test, the Corps is instituting procedures similar to those of the command.

Although this interim procedure will reduce timing differences, a number of problems remain to be solved before a workable plan can be implemented to fully comply with the new regulations. Army Finance Center officials believe that with decentralized accounting, such capability will not be possible until at least mid-1981.

### Development of a new system

An automated system to improve trust fund and sales case accounting is being tested at the Center. Full implementation of the system is planned for May 1, 1980. Currently, trust fund accounts are not maintained at the sales case level. Under the new system, trust fund accounts for each customer will be maintained on a sales case level, thus providing the capability to routinely compare cash balances in sales case and trust fund records.

### Researching existing differences

During our review, we provided data on existing differences to Center personnel. These differences were researched in some instances by Center personnel and the adjustments needed to correct the records were determined. When these adjustments are made to the accounting records, the unexplained difference of \$390 million will be reduced by about \$100 million.

### CONCLUSIONS

Defense does not have adequate visibility or control over foreign military sales disbursing and accounting. Efforts to date have failed to identify or explain significant differences in trust fund and sales case balances because the Center and the military departments have not reconciled key accounting records. As long as Defense relies on each department to implement instructions as it sees fit, the problem will continue.

Unless the Assistant Secretary's reconciliation requirement is implemented consistently by each military department, financial management visibility and control will not improve. Further, the Center's ability to establish case level trust fund accounts is contingent upon the military departments' full and consistent implementation of the requirement.

If Defense is to provide adequate visibility and control over foreign military sales disbursements and assure foreign customers that it can properly account for their funds, a complete reconciliation capability must be developed and implemented. At a minimum, reconciliation procedures should allow Defense to determine: (1) the amount of differences between trust fund and sales case records, (2) when the differences arose, and (3) their causes. This objective can only be met if the accounting and reporting system identifies and compares individual transactions on both sets of records.

Centralized foreign military sales accounting and disbursing will go a long way toward helping Defense to eliminate future differences between trust fund and sales case accounting records. A major cause of the differences is delayed individual transaction reporting. Under a centralized system, disbursements would be recorded in trust fund and sales case accounts simultaneously and Defense would establish a single accountable organization for all other differences, thus reducing the amount of reconciliation necessary for adequate visibility and control.

Obviously, complete new accounting systems cannot be set up overnight. However, Defense can do some things now to improve accounting for foreign military sales. These include limiting disbursing by and for others and standardizing edit criteria for expenditure data.

#### RECOMMENDATIONS

Because the need for major changes in the foreign military sales accounting system is well recognized, we are making both short and long range recommendations. The short range recommendation can be implemented rapidly without making extensive system changes. The long range recommendation is part of the centralization effort.

In the short range, the Secretary of Defense should direct the military departments and the Security Assistance Accounting Center to establish adequate control over customer trust funds by

- identifying and correcting existing differences in trust fund and supporting sales case records and
- enforcing Defense policies requiring reconciliation of key accounting records so that unexplained differences will not arise in the future.

In the long range, the Secretary of Defense should centralize foreign military sales accounting and disbursing as the most viable alternative to finally resolve Defense's foreign military sales accounting and financial management problems.

#### AGENCY COMMENTS

At the request of the Office of the Chairman, House Committee on Appropriations, GAO did not obtain written agency comments. The matters covered in the report, however, were discussed with Defense officials, who expressed general agreement with the report.

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**Congress of the United States**  
**House of Representatives**  
**Committee on Appropriations**  
**Washington, D.C. 20515**

July 9, 1979

The Honorable Elmer B. Staats  
 Comptroller General of the  
 United States  
 U. S. General Accounting Office  
 Washington, D. C. 20548

Dear Mr. Staats:

At the request of this Committee, you reported on November 15, 1978, on the Navy's inability to reconcile \$554 million in differences between foreign government cash balances on its records and balances shown in the foreign military sales trust fund (FGMSD-79-2).

The Committee would appreciate your performing a follow-on review to determine the current status of the Navy trust fund account and the efforts to reconcile the reported differences. We are concerned that a similar problem may exist in the Army and Air Force and would like a report by March 31, 1980, for consideration during next year's appropriation review.

Sincerely,

*[Signature]*  
 Chairman

DEFENSE-WIDE DIFFERENCES BETWEEN CUSTOMER TRUST FUNDS AND  
CASE RECORDS AS OF SEPTEMBER 30, 1979

<u>Country/ organization</u>	<u>Trust fund balance (note a)</u>	<u>Case record balance (note a)</u>	<u>Difference</u>	<u>GAO adjustments (app. III)</u>	<u>Defense adjustments (note b)</u>	<u>Unexplained differences</u>
Argentina	\$ 8,177,788	\$ 9,564,943	(\$ 1,387,155)	\$ 603,282	-	(\$ 783,873)
Australia	176,847,520	184,896,048	( 8,048,528)	28,317,075	-	20,268,547
Austria	12,092,970	11,354,622	738,348	( 30,202)	-	708,146
OAS (A1)	511,312	528,625	( 17,313)	22,951	-	5,638
SHAPE (A2)	230,125	764,223	( 534,098)	10,435	-	( 523,663)
Bahrain	22,287	22,672	( 385)	134	-	( 251)
Belgium	148,629,850	215,974,197	( 67,344,347)	65,494,250	-	( 1,850,097)
Bolivia	101,734	73,652	28,082	( 27,592)	-	490
Brazil	14,523,993	10,617,210	3,906,783	715,147	-	4,621,930
Brunei	167	223	( 56)	( 41)	-	( 97)
Burma	577,456	203,337	374,119	( 220,218)	-	153,901
Cameroon	767,389	807,762	( 40,373)	42,334	-	1,961
Canada	60,876,706	69,349,725	( 8,473,019)	6,236,632	-	( 2,236,387)
Chile	14,956,580	1,953,023	13,003,557	( 95,689)	-	12,907,868
Columbia	2,919,768	2,680,230	239,538	380,411	-	619,949
Costa Rica	183,825	41,057	142,768	( 143,504)	-	( 736)
Denmark	39,191,458	( 63,355,842)	( 24,164,384)	31,901,666	-	7,737,282
Dominican Republic	14,393	( 3,957)	18,350	( 23,673)	-	( 5,323)
Ecuador	16,689,825	16,702,549	( 12,724)	71,539	-	58,815
Egypt	112,633,192	124,102,053	( 11,468,861)	10,348,512	-	( 1,120,349)
El Salvador	283,176	129,714	153,462	4,148	-	157,610
Ethiopia	16,354,491	11,192,523	5,161,968	( 6,992,058)	-	( 1,830,090)
Fiji	22,421	33,844	( 11,423)	( 11,618)	-	( 23,041)
Finland	2,359	1,139	1,220	217	-	1,437
France	5,880,667	8,408,094	( 2,527,427)	150,314	-	( 2,377,113)
Gabon	385,263	105,651	279,612	( 390,451)	-	( 110,839)
Germany	19,305,386	32,369,265	( 13,063,879)	23,095,111	-	10,031,232
Ghana	( 44,830)	( 72,288)	27,458	( 6,826)	-	20,632
Greece	130,438,037	196,606,479	( 66,168,442)	( 31,589)	-	( 66,200,031)
Guatemala	2,741,458	2,096,668	644,790	( 708,054)	-	( 63,264)
Haiti	171,466	167,741	3,725	( 186,416)	-	( 182,691)
Honduras	874,132	469,948	404,184	5,409,568	-	5,813,752
Iceland	39	-	39	75	-	114
India	9,095,356	7,496,457	1,598,899	( 1,591,312)	-	7,587
Indonesia	49,932,029	25,819,840	24,112,189	( 21,831,423)	-	2,280,766
Iran	513,695,384	655,711,254	( 142,015,870)	118,099,660	-	( 23,916,210)
Ireland	13,089	10,613	2,476	275	-	2,751
Israel	493,018,357	546,454,545	( 53,436,188)	13,348,053	30,700,000	( 9,388,135)

<u>Country/ Organization</u>	<u>Trust fund balance (note a)</u>	<u>Case record balance (note a)</u>	<u>Difference</u>	<u>GAO adjustments (app. III)</u>	<u>Defense adjustments (note b)</u>	<u>Unexplained difference</u>
Italy	\$ 20,478,896	\$ 24,166,979	(\$ 3,688,083)	\$ 206,365	\$ -	(\$ 3,481,718)
Jamaica	( 3,983)	( 5,875)	1,892	2,859,000	-	2,860,892
Japan	307,197,517	304,523,356	2,674,161	( 7,360,403)	-	( 4,686,242)
Jordan	145,419,997	( 47,641,265)	193,061,262	( 207,560,071)	-	( 14,498,809)
Kenya	18,714,941	4,833,547	13,881,394	( 811,480)	-	13,069,914
Korea	377,644,030	340,454,889	37,189,141	( 11,519,132)	-	25,670,009
Kuwait	73,470,788	78,549,488	( 5,078,700)	5,530,905	-	452,205
Lebanon	8,505,919	10,249,029	( 1,743,110)	( 16,362)	-	( 1,759,472)
Liberia	865,684	541,926	323,758	( 14,142)	-	309,616
Luxembourg	108,070	( 4,003)	112,073	( 1,531)	-	110,542
Libya	4,393	( 132,266)	136,659	85	-	136,744
Malaysia	3,292,769	937,628	2,355,141	( 2,332,976)	-	22,165
Mexico	1,765,393	1,671,640	93,753	22,563	-	116,316
Morocco	43,946,410	39,761,071	7,185,339	( 2,596,752)	-	4,588,587
NATO (K2)	773,711	561,725	211,986	( 236,966)	-	( 24,980)
NATO (K3)	119,615	36,205	83,410	( 1,690)	-	81,720
NATO (K4)	20,014	515	19,499	( 1,673)	-	17,826
NATO (K5)	8,160	8,405	( 245)	245	-	-
NATO (K6)	330,770	371,488	( 40,718)	10,718	-	( 30,000)
NATO (N1)	1,262,881	12,860,755	( 11,597,874)	( 19,011)	10,673,000	( 943,885)
NATO (N2)	4,676,248	3,059,939	1,616,309	163,795	-	1,780,104
NATO (N3)	4,743,408	6,985,060	( 2,241,652)	2,225,983	-	( 15,669)
NATO (N4)	81,158,915	83,678,695	( 2,519,780)	203,346	-	( 2,316,434)
NATO (N7)	6,003,588	5,728,481	275,107	52,810	-	327,917
NATO (N9)	1,136,609	( 105,566)	1,242,175	( 2,137,984)	-	( 895,809)
Nepal	912	--	912	( 15)	-	897
Netherlands	83,660,168	159,078,462	( 75,418,294)	58,966,376	20,000,000	3,548,082
New Zealand	6,302,899	7,068,842	( 765,943)	( 34,053)	-	( 799,996)
Nicaragua	79,601	( 127,504)	207,105	( 117,458)	-	89,647
Nigeria	14,382,915	3,003,242	11,379,673	( 671,148)	(\$10,673,000)	35,525
Norway	64,889,460	110,386,759	( 45,497,299)	49,973,055	-	4,475,756
Oman	252,537	245,878	6,659	( 2,983)	-	3,676
Pakistan	89,867,124	96,832,307	( 6,965,183)	4,427,003	-	( 2,538,180)
Panama	283,940	96,503	187,437	( 183,849)	-	3,588
Paraguay	47,537	31,786	15,751	( 9,294)	-	6,457
Peru	5,504,736	7,379,644	( 1,874,908)	238,877	-	( 1,636,031)
Phillippines	22,048,675	19,886,172	2,162,503	( 1,237,562)	-	924,941
Portugal	392,847	782,650	( 389,803)	232,023	-	( 157,780)
Saudi Arabia	1,894,043,234	2,196,382,896	( 302,339,662)	310,163,668	-	7,824,006
Senegal	5,947	--	5,947	106	-	6,053
Singapore	48,030,929	40,898,685	7,132,244	2,533,829	-	9,666,073
South Africa	420,253	--	420,253	( 113)	-	420,140

<u>Country/ Organization</u>	<u>Trust fund balance (note a)</u>	<u>Cash record balance (note a)</u>	<u>Difference</u>	<u>GAO adjustments (app. III)</u>	<u>Defense adjustments (note b)</u>	<u>Unexplained difference</u>
Spain	\$ 106,784,910	\$ 104,929,590	\$ 1,855,320	(\$ 2,898,964)	\$ -	(\$ 1,043,644)
Sri Lanka	50	--	50	-	-	50
Sudan	25,928,245	33,638,675	( 7,710,430)	1,325,359	-	( 6,385,071)
Sweden	19,206,285	17,528,425	1,677,860	( 1,631,341)	-	46,519
Switzerland	144,006,868	88,462,593	55,544,275	2,036,362	-	57,580,637
China (Taiwan)	182,150,069	178,695,789	3,454,280	( 1,329,786)	-	2,124,494
Thailand	195,739,317	188,536,005	7,203,312	3,392,019	-	10,595,331
Tunisia	16,787,602	6,914,043	9,873,559	171,284	-	10,044,843
Turkey	70,560,799	73,792,731	( 3,231,932)	3,325,602	-	93,670
United Arab Emirates	1,359,205	24,243	1,334,962	( 23,105)	-	1,311,857
United Kingdom	119,057,619	191,819,213	( 72,761,594)	49,577,212	27,000,000	3,815,618
Uruguay	438,136	62,673	375,463	( 345,445)	-	30,018
Venezuela	8,541,981	8,319,935	222,046	263,360	-	485,406
Vietnam	48	-	48	-	-	48
Yemen	137,212,965	( 12,782,679)	149,995,644	( 140,659,839)	-	9,335,805
Yugoslavia	683,093	669,133	13,960	41,332	-	55,292
Zaire	16,014,262	15,240,890	<u>773,372</u>	71,069	-	<u>844,441</u>
<b>TOTAL</b>			<b><u>\$1,507,726,943</u></b>			<b>c/ <u>\$390,139,745</u></b>

a/Balances include Air Force, Army, and Navy only.

b/Defense provided additional adjustments of about \$180 million. However, detailed support was provided as of March 21, 1980, only for those adjustments shown.

c/Included in this total is the Army adjustment account of \$71.7 million and undistributed suspense accounts for the Army (\$25.9 million), Air Force (\$25.1 million), and Navy (\$29.1 million). Naval accounts rejected by the Security Assistance Accounting Center valued at \$26.8 million also are included. However, until Defense is able to distribute these amounts by country the impact on the unexplained differences is unknown.

SUMMARY OF REQUIRED ADJUSTMENTS TO  
SECURITY ASSISTANCE ACCOUNTING CENTER CASE RECORDS

AS OF SEPTEMBER 30, 1979

<u>Country/ organization</u>	<u>Normal delays in reporting</u>	<u>System deficiencies</u>	<u>Holding account</u>	<u>Total</u>
Argentina	\$ 869,215	\$ 368,299	(\$ 634,232)	\$ 603,282
Australia	23,698,387	5,934,815	( 1,316,127)	28,317,075
Austria	( 404,270)	567,018	( 192,950)	( 30,202)
OAS (A1)	-	22,951	-	22,951
SHAPE (A2)	( 8,107)	18,542	-	10,435
Bahrain	-	428	( 294)	134
Belgium	58,184,069	7,960,540	( 650,359)	65,494,250
Bolivia	6,109	( 3,233)	( 30,468)	( 27,592)
Brazil	328,758	386,389	-	715,147
Brunei	-	4	( 45)	( 41)
Burma	( 23,923)	6,952	( 203,247)	( 220,218)
Cameroon	( 252)	42,586	-	42,334
Canada	5,984,904	1,277,368	( 1,025,640)	6,236,632
Chile	( 189,420)	93,731	-	( 95,689)
Columbia	236,758	143,653	-	380,411
Costa Rica	-	2,363	( 145,867)	( 143,504)
Denmark	28,643,404	4,226,816	( 968,554)	31,901,666
Dominican Republic	( 7,638)	149	( 16,184)	( 23,673)
Ecuador	404,429	592,515	( 925,405)	71,539
Egypt	( 2,616,261)	7,935,529	5,029,244	10,348,512
El Salvador	345	3,803	-	4,148
Ethiopia	( 4,305)	44,516	( 7,032,269)	( 6,992,058)
Fiji	( 11,819)	201	-	( 11,618)
Finland	-	217	-	217
France	382,165	272,115	( 503,966)	150,314
Gabon	( 387,063)	1,943	( 5,331)	( 390,451)
Germany	13,747,327	9,347,784	-	23,095,111
Ghana	( 2,789)	( 2,572)	( 1,465)	( 6,826)
Greece	( 2,700,035)	6,510,604	( 3,842,158)	( 31,589)
Guatemala	( 238,598)	65,007	( 534,463)	( 708,054)
Haiti	( 810)	6,974	( 192,580)	( 186,416)
Honduras	5,476,350	11,508	78,290	5,409,568
Iceland	262	-	( 187)	75
India	( 82,352)	189,526	( 1,698,486)	( 1,591,312)
Indonesia	3,925,315	782,191	( 26,538,929)	( 21,831,423)
Iran	67,244,700	51,332,230	( 477,270)	118,099,660
Ireland	-	666	( 391)	275
Israel	10,000,710	3,347,343	-	13,348,053
Italy	1,136,433	487,073	( 1,417,141)	206,365
Jamaica	2,859,113	( 113)	-	2,859,000
Japan	1,728,879	9,906,565	( 18,995,847)	( 7,360,403)
Jordan	( 9,250,397)	(197,960,003)	( 349,671)	( 207,560,071)
Kenya	( 1,335,805)	528,489	( 4,164)	( 811,480)
Korea	( 6,621,984)	7,754,023	(12,651,171)	( 11,519,132)
Kuwait	5,524,123	1,291,942	( 1,285,160)	5,530,905
Lebanon	( 1,347)	462,711	( 477,726)	( 16,362)
Liberia	( 21,904)	18,476	( 10,714)	( 14,142)

## APPENDIX III

## APPENDIX III

<u>Country/ organization</u>	<u>Normal delays in reporting</u>	<u>System deficiencies</u>	<u>Holding account</u>	<u>Total</u>
Luxembourg	\$ -	\$ 846	(\$ 2,377)	(\$ 1,531)
Libya	-	7	78	85
Malaysia	( 148,492)	238,067	( 2,422,551)	( 2,332,976)
Mexico	7,140	40,476	( 25,053)	22,563
Morocco	( 1,479,562)	1,003,108	( 2,120,298)	( 2,596,752)
NATO (K2)	( 240,318)	16,741	( 13,389)	( 236,966)
NATO (K3)	( 3,984)	2,294	-	( 1,690)
NATO (K4)	( 2,100)	427	-	( 1,673)
NATO (K5)	-	245	-	245
NATO (K6)	-	10,718	-	10,718
NATO (N1)	( 350)	( 18,661)	-	( 19,011)
NATO (N2)	9,983	163,454	( 9,642)	163,795
NATO (N3)	2,045,638	180,345	-	2,225,983
NATO (N4)	( 1,416,672)	2,651,056	( 1,031,038)	203,346
NATO (N7)	225,372	( 13,617)	( 158,945)	52,810
NATO (N9)	( 2,064,657)	( 1,950)	( 71,377)	( 2,137,984)
Nepal	-	( 15)	-	( 15)
Netherlands	51,913,284	12,534,850	( 5,481,758)	58,966,376
New Zealand	166,989	198,314	( 399,356)	( 34,053)
Nicaragua	( 88,418)	1,116	( 30,156)	( 117,458)
Nigeria	( 793,434)	216,167	( 93,881)	( 671,148)
Norway	44,192,810	7,323,621	( 1,543,376)	49,973,055
Oman	-	2,732	( 5,715)	( 2,983)
Pakistan	3,162,020	2,156,095	( 891,112)	4,427,003
Panama	( 116,660)	6,654	( 73,843)	( 183,849)
Paraguay	( 7,509)	112	( 1,897)	( 9,294)
Peru	1,093,883	452,002	( 1,307,008)	238,877
Philippines	( 1,879,485)	641,923	-	( 1,237,562)
Portugal	275,826	29,586	( 73,389)	232,023
Saudi Arabia	193,497,478	204,565,231	( 87,899,041)	10,163,668
Senegal	-	106	-	106
Singapore	2,677,852	746,550	( 890,573)	2,533,829
South Africa	( 113)	-	-	( 113)
Spain	10,502,123	2,324,031	( 15,725,118)	( 2,898,964)
Sri Lanka	-	-	-	-
Sudan	324,140	1,001,219	-	1,325,359
Sweden	139,241	435,937	( 2,206,519)	( 1,631,341)
Switzerland	( 1,687,755)	3,600,428	123,689	2,036,362
China (Taiwan)	( 881,377)	7,992,554	( 8,440,963)	( 1,329,786)
Thailand	2,883,197	6,285,389	( 5,776,567)	3,392,019
Tunisia	9,557	291,268	( 129,541)	171,284
Turkey	2,306,560	3,684,561	( 2,665,519)	3,325,602
United Arab Emirates	-	7,132	( 30,237)	( 23,105)
United Kingdom	48,260,095	6,400,139	( 5,083,022)	49,577,212
Uruguay	( 282,055)	17,994	( 81,384)	( 345,445)
Venezuela	1,157,947	172,037	( 1,066,624)	( 263,360)
Vietnam	-	-	-	-
Yemen	( 373,973)	( 140,091,726)	( 194,140)	( 140,659,839)
Yugoslavia	29,636	22,327	( 10,631)	41,332
Zaire	( 65,037)	353,114	( 217,008)	71,069

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